

8COMMON LIMITED & CONTROLLED ENTITIES

ABN 168 232 577

ASX APPENDIX 4D FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2024 and the Interim Report for the half year ended 31 December 2024 and the attached auditors' review report.

This Appendix 4D is prepared in accordance with ASX Listing Rule 4.2A.3.

Reporting period: Half-year from 1 July 2024 to 31 December 2024.

Previous corresponding period: Half-year from 1 July 2023 to 31 December 2023.

Results for announcement to the market

8common limited (8CO) and its controlled entities' (the 8common Group or Group) Results for Announcement to the Market are detailed below:

Financial Results

	Dec 2024	Dec 2023	\$ Change	% Change
Revenue and other income	3,741,021	4,174,080	(419,734)	(10%)
EBITDA	(318,420)	(1,680,283)	1,430,929	81%
Loss before tax	(726,036)	(1,951,023)	1,294,053	63%
Loss after tax	(726,036)	(1,951,023)	1,294,053	63%

	Dec 2024	Dec 2023
NTA backing		
Net tangible asset backing per ordinary share	0.0 cents	0.9 cents

Explanation of results

Please refer to the 'Directors Report' for an explanation of the results.

This information should be read in conjunction with the Consolidated Annual Financial Report of the 8common Group for the year ended 30 June 2024.

This report should also be read in conjunction with any public announcements made by 8common in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in the report contains all the information required by ASX Listing Rule 4.2A.

Details of individual and total dividends and payment dates

No dividends have been declared by the Company.

Dates: 28 February 2025

Approved by
Board of Directors

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8COMMON LIMITED AND ITS CONTROLLED ENTITIES

ACN 168 232 577

INTERIM HALF YEARLY FINANCIAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2024

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Directors' Report

Your directors present their report on the Company 8common Limited and its controlled entities for the half-year ended 31 December 2024.

Directors and Company Secretary

The following persons were directors of 8common Limited during or since the end of the financial half year;

Kah Wui "Nic" Lim	Executive Chairman
Adrian Bunter	Non Executive Director
John Du Bois	Non Executive Director
Kok Fui Lau	Non Executive Director
Zoran Grujic	Company Secretary

Principal activities

8common operates Financial Transaction and Payment Management technology platforms targeted at large enterprise and government segments. Its products, being Expense8 (travel and expense management) and CardHero (payment and funds distribution cards) deliver closed loop solutions to support regulated, large network and high volume requirements.

Our platforms manage a growing client base of more than 170,000 platform users and over \$1B in annualised transactions managed including enterprise customers Woolworths, Broadcast Australia, Amcor, and over 165 state and federal government entities.

More details of our 2 core offerings are as follows:

Expense8

The Expense8 platform is a leading pureplay provider of end to end travel and expense management software, card application and management. The innovative software solutions improve an organisation's productivity, incorporate company organisational policies and expense auditing to reduce fraud and increase compliance. Expense8 by 8common was named a Major Player in the IDC MarketScape: Worldwide SaaS and Cloud-Enabled Travel and Expense Management Applications 2019 Vendor Assessment.

Notable clients include the whole of Northern Territory Government, Federal Department of the Prime Minister and Cabinet, Woolworths, NSW Department of Education. Approximately 34,000 NT Government employees, 71,000 employees within NSW Government and over 40,000 employees within the Australian Federal Government use Expense8.

CardHero

The CardHero platforms combine EML Payments (ASX:EML) issued pre-paid Mastercards with 8commons Expense8 spend reconciliation solution. This combination brings together card application, issuance, transaction management and reporting to deliver a sophisticated, scalable and transparent solution. The CardHero and CardHero+ platforms have two distinctive use cases and clients in mind:

- **CardHero** drives payment approval and reconciliation efficiency. It integrates card payment with expense management and targets government and large enterprise clients.
- **CardHero+** delivers convenient fund distribution and spend data. It integrates fund payment with spend management and targets not for profits, grant providers, charities and government.

Review of Operations

1. Group Performance

Total revenue for 1HFY25 of \$3,741,021 down 10% on 1HFY24 driven by decreased level of implementation revenue. The Company anticipates stronger implementation revenue in 2HFY25 given the unprecedented level of new business engagement towards the end of this reporting period.

Record transaction and recurring SaaS revenue of \$2,423,852, up 12% on 1HFY24, driven by higher ARPU and a lift in user numbers.

ARPU for 1HFY25 was \$25.26, up vs 1HFY24 reflecting an increase in features per users and growing Federal Government adoption.

Within the broader ARPU figure, Federal Government ARPU averaged \$48.24 for the period. With a growing number of Federal Government agencies and users to be onboarded, ARPU is expected to continue to increase driving an uplift in revenue and cashflow.

The group incurred an operating loss of \$698,975 vs \$1,951,023 in 1HFY24 and an EBITDA loss for the period of \$318,420 vs \$1,680,283 in 1HFY24. The significant improvements were driven by decreases in Cost of Services of \$1,142,315 which are primarily from cloud hosting costs and Operational Expenses which fell by \$598,533.

Net cash out flow from operations of \$8,708 represents a significant improvement from the pcp which was an outflow of \$1,001,682 in line with the savings from operational expenses and cost of services. We anticipate costs benefits to continue to be gained during 2HFY25.

Note that the costs savings were achieved whilst SaaS revenue grew 12% demonstrating continuous core business growth as the business continued to be optimised.

	PERIOD TO 31 DECEMBER			
SUMMARY FINANCIAL RESULTS	2024	2023	CHANGE	
	\$	\$	\$	%
Revenue from SaaS (subscription and transaction)	2,423,852	2,156,596	267,256	12%
Other revenue from continuing operations	1,317,169	2,017,484	(700,315)	(35%)
Total Revenue	3,741,021	4,174,080	(433,059)	(10%)
Total Expenses (inc Cost of services)	(4,384,255)	(6,125,103)	1,740,848	(28%)
EBITDA	(318,420)	(1,680,283)	1,430,929	(81%)
Loss for the period	(698,975)	(1,951,023)	1,252,048	(63%)
Operating cash outflow	(8,708)	(1,001,682)	992,974	(99%)
Cash Receipts	4,658,584	4,444,850	213,734	5%
Cash and cash equivalents	123,873	848,255	(724,382)	(85%)

2. Segment Performance

Expense8

Key KPI highlights for 31 December 2024

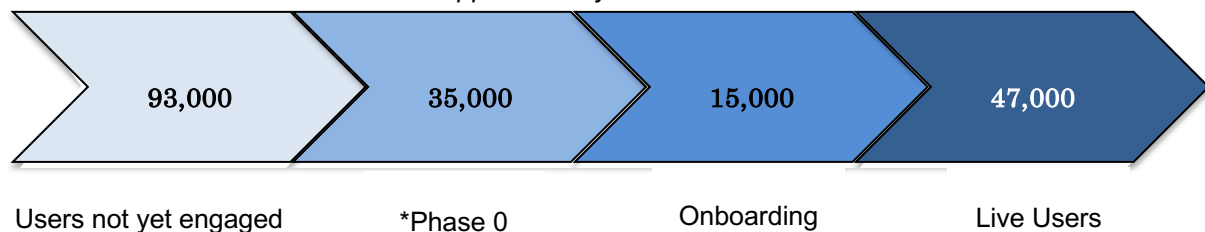
KPI	2024	2023	Change
Total Revenue	3,741,021	4,174,080	(10%)
SaaS Revenue	2,423,852	2,156,596	12%
Users	183,378	171,358	7%
Card Transactions	1,858,755	2,089,461	(11%)
Trips	42,073	23,459	79%

During the period the Company continued to onboard entities within Federal Government. Strong customer demand has resulted in elevated on-boarding activity with concurrent implementation projects being executed for:

- The Fair Work Commission and The Office of the Commonwealth Ombudsman both signed contracts to onboard to the Government version of the Expense8 platform with the Murray Darling Basin Authority signing a contract post quarter end.
- ASIC, the Department of Veterans' Affairs and IP Australia have all gone live with Expense8 adding approximately 8k users.
- 8CO has received a significant increase in inbound enquiries for Expense8 post the shift in the ERP policy of the Australian Government (refer ASX release 29 November 2023)

Federal Government onboarding pipeline

As at 31 December 2024 there are approximately 190k Total Potential Users in Federal Government



* Phase 0 Discovery workshops are a key pre onboarding phase for Federal Government agencies on their path to adopting the Federal Government template and as such can be viewed as a precursor to future user additions. Over 55k users in Federal Government have commenced or completed Phase 0 Discovery workshops.

Source: https://budget.gov.au/content/bp4/download/bp4_10_staffing_of_agencies.pdf

The Company has seen unprecedented levels of interest in new customer enquiries and engagement during the reporting period and look forward to converting the opportunities into new business during the balance of FY25.

CardHero

CardHero continues to operate in a cash-flow positive manner as business development efforts continue along the path of it being a leading product to support large scale financial distributions with the requirements of efficient reporting and spend management.

3. Expenses and EBITDA

The Group's EBITDA was a loss of \$318,420 in the half year ended 31 December 2024. This compares to an EBITDA loss of \$1,680,283 in the pc. The key drivers to the 31 December 2024 result were:

- 12% increase in SaaS revenue on a pc basis to \$2,423,852;
- 17% decrease in Total Expenses on a pc basis to \$3,081,617;
- 46% decrease in Cost of Services on a pc basis to \$1,358,379.

4. Funding and Cash-flow

The Company recorded \$8,708 in operating cash outflows for the six months ended 31 December 2024 driven by growth in SaaS Revenue of 12% and significant decreases in Operating Expenses and Cost of Services

As at 31 December 2024, the Group has cash and cash equivalents of \$0.1 million. The cash position is supported by a \$1.5m financing facility from the Executive Chairman which ensures the Company remains adequately funded. As at 31 December 2024, the Company has not drawn down on the facility. If the loan is drawn down, it will be applied towards working capital purposes. The Company does not intend to draw down the loan however recognised this option is available if required. The Company anticipates a significantly improved performance in cash-flow in 2H FY2025 given the increase in users and continued rationalisation of expenses.

5. Outlook

Strong improvements within operational expenses and cost of services through management initiatives have significantly improved core financial metrics. This has been completed by strong SaaS revenue growth which demonstrates customer validation of 8CO products. The Company continues to expand its presence amongst government, not for profit and large enterprises. As more Federal Government and large enterprise entities progress to the on-boarding phase of Expense8, we anticipate user numbers to continue to grow in coming quarters. A growing proportion of users on our platforms from within Federal government is anticipated to grow our ARPU over FY25 and beyond, delivering material revenue growth for the Company and driving the business towards sustainable positive cashflow and broader financial strength.

Significant Events since Balance Sheet Date

Subsequent to period end, Nic Lim injected additional funding into the Group on 26 February 2025 amounting to AUD \$56,573 and on 27 February 2025 amounting to AUD \$113,870. Nic Lim has confirmed that he will not recall the balances within 15 months from signing the half year financial report on the basis that repayment would prejudice the Group's ability to repay short term creditors or other liabilities. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors.



Kah Wui Lim
Managing Director
Dated this 28th of February 2025, Malaysia

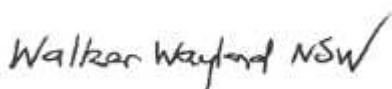
28 February 2025

The Directors
8common Limited
Level 7, 320 Pitt Street
SYDNEY NSW 2000

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF 8COMMON LIMITED**

We declare that, to the best of our knowledge and belief, during the half year ended 31 December 2024 there have been:

- (i) no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Walker Wayland NSW
Chartered Accountants



Edward Chow
Partner

Dated this 28th day of February 2025
Sydney

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Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2024

		31 December 2024 \$	31 December 2023 \$
Revenue from continuing operations	5	3,554,816	4,132,004
Cost of services		(1,358,379)	(2,500,694)
Gross Profit		2,196,437	1,631,310
Other revenue	5	186,205	42,076
EXPENSES FROM CONTINUING OPERATIONS			
Professional fees		(59,150)	(89,545)
Computer software and maintenance		(220,625)	(521,603)
Depreciation and amortisation		(353,427)	(275,458)
Employee and contractor costs		(2,097,441)	(2,351,291)
Marketing expenses		(4,000)	(35,175)
Occupancy expenses		(10,116)	(39,120)
Interest expense		(27,501)	(20,038)
Other expenses from ordinary activities		(309,357)	(292,179)
Total Expenses		(3,081,617)	(3,624,409)
NET LOSS BEFORE INCOME TAX		(698,975)	(1,951,023)
Income tax benefit		-	-
NET LOSS FOR THE PERIOD		(698,975)	(1,951,023)
Other comprehensive income/(loss) – Revaluation gain/(loss) on financial assets at fair value through other comprehensive income		(27,061)	(48,049)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(726,036)	(1,999,072)
Earnings per share			
Basic earnings per share – cents per share	12	(0.31)	(0.89)
Diluted earnings per share – cents per share	12	(0.31)	(0.89)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Current assets			
Cash and cash equivalents		123,873	131,744
Trade and other receivables		480,112	694,507
Other assets		68,735	109,473
Total current assets		672,720	935,724
Non current assets			
Financial Assets	4	16,405	43,459
Property, plant and equipment		44,981	62,238
Intangible assets	6	1,769,012	2,105,181
Total non-current assets		1,830,398	2,210,878
Total assets		2,503,118	3,146,602
Current liabilities			
Trade and other payables		1,398,502	1,178,779
Payables to ATO under payment plan	10	308,907	386,123
Payable to Director	10	359,305	253,478
Contract liabilities		291,813	436,676
Provisions		368,361	404,402
Total current liabilities		2,726,888	2,659,458
Non current liabilities			
Provisions		84,952	69,829
Total non current liabilities		84,952	69,829
Total liabilities		2,811,840	2,729,287
Net (liabilities) / assets		(308,722)	417,315
Equity			
Contributed equity	7	16,946,815	16,946,815
Accumulated losses		(15,350,916)	(15,304,469)
Asset revaluation reserve		(2,311,033)	(2,283,972)
Share based payments reserve	11	406,413	1,058,941
Total shareholders' (deficiency) / equity		(308,722)	417,315

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2024

Consolidated Entity	Contributed equity	Accumulated Losses	Asset Revaluation Reserve	Share based payment reserve	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2023	16,946,815	(13,027,577)	(2,200,623)	1,330,387	3,049,002
Loss for the period	-	(1,951,023)	-	-	(1,951,023)
Other comprehensive income	-	-	(48,049)	-	(48,049)
Total comprehensive income / (loss)	-	(1,951,023)	(48,049)	-	(1,999,072)
Derecognition of financial assets		(1,260,765)	1,260,765		
Share based payments	-	-	-	-	-
Balance as at 31 December 2023	16,946,815	(16,239,365)	(987,907)	1,330,387	1,049,930
Balance as at 1 July 2024	16,946,815	(15,304,470)	(2,283,972)	1,058,941	417,315
Loss for the period	-	(698,975)	-	-	(698,975)
Other comprehensive income	-	-	(27,061)	-	(27,061)
Total comprehensive income / (loss)	-	(698,975)	(27,061)	-	(726,036)
Transfer to Accumulated losses		652,528		(652,528)	-
Balance as at 31 December 2024	16,946,815	(15,350,916)	(2,311,033)	406,413	(308,722)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Half Year ended 31 December 2024

	31 December 2024 \$	31 December 2023 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operating activities	4,658,584	4,444,850
Interest received	188	24,155
Payments to suppliers and employees	(4,661,480)	(5,470,687)
Net cash (used in) operating activities	(8,708)	(1,001,682)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Software development costs	-	(103,315)
Disposal of financial assets	-	143,849
Purchase of fixed assets	-	-
Net cash (used in) investing activities	-	40,534
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares via placement	-	-
Conversion of options	-	-
Costs related to issue of shares	-	-
Net cash provided by financing activities	-	-
NET (DECREASE)/INCREASE IN CASH HELD	(8,708)	(961,148)
Cash and cash equivalent at beginning of financial period	132,581	1,809,403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	123,873	848,255

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Half Year ended 31 December 2024

Note 1: Material accounting policy information

These general purpose financial statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024, together with any public announcements made during the following half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except to the matters discussed below.

These financial statements were authorised for issue by the board of directors on 28th February 2025.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

A number of new or amended standards became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards since they did not have an impact on the Group

The Group has not early adopted any new and revised Accounting Standards that are not yet mandatory.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Judgement and Estimates

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024.

Notes to the Financial Statements for the Half Year ended 31 December 2024

Note 1: Material accounting policy information (cont)

Going concern basis of accounting

The Group has incurred a net loss after tax for the half year ended 31 December 2024 of \$698,975 (31 December 2023: loss of \$1,951,023) and net cash outflows from operating activities of \$8,708 (31 December 2023: cash outflow of \$1,001,682). As at 31 December 2024, the Group was in a net current liability position of \$2,054,168 (30 June 2024: \$1,723,734 net current liability) and net liability position of \$308,722 (30 June 2024: Net asset position of \$417,315). Included in the net liability position is a payment plan liability with the Australian Taxation Office (ATO) in relation to Goods and Services Tax and Pay As You Go (PAYG) withholding tax amounting to \$308,907 as at 31 December 2024. This payment plan balance was \$472,417 as at 27 February 2025 with a completion date of August 2025.

Due to the low level of cash and continuing operating losses of the group, the working capital of the Group during the 6 month period ended 31 December 2024 has been partly funded by the Executive Chairman (Kah Wui "Nic" Lim), in particular Mr Nic Lim paid supplier invoices totalling \$327,186 (from 1 July 2024 to 31 December 2024). As at 31 December 2024, the balance owed to the Executive Chairman is \$359,305 as disclosed in note 14 Related Party Transactions. This outstanding balance is unsecured and interest free. The cash and cash equivalents were \$123,873 as at 31 December 2024 and \$238,850 as at 27 February 2025.

Accordingly, one of the major factors permitting the Group to continue as a going concern is the continuing funding from the Executive Chairman, therefore in the absence of funding from the Executive Chairman, the Group may not be able to continue as a going concern. On 26 February 2025 and 27 February 2025, the executive Chairman has injected (a further unsecured and interest free loan) an additional \$56,573 and \$113,870 respectively to assist with the payment of outstanding liabilities. The Executive Chairman has provided a letter of support confirming that he will not recall the total loan balance of \$170,443 within 15 months from signing the half year financial report on the basis that this repayment would prejudice the Group's ability to repay short term creditors or other liabilities. These monies have been provided by Nic Lim in addition to the \$1.5m loan facility available, ie the \$1.5m facility has not been drawn down yet.

These conditions above indicate that the Group is currently dependent on funding from the Executive Chairman to settle its short-term debts as and when they fall due. In the event that the Group does not receive continuing financial support from the Executive Chairman, generating positive cash flows from operations, raise funds through debt or equity, the ability of the Group to continue as a going concern will be negatively impacted and therefore the Group will not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

These conditions above indicate that there are material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern thereby realising its assets and liabilities in the normal course of business at the amounts stated in the financial statements.

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern based on the following:

- Together with the Loan Facility Agreement (between Nic Lim and the Company) dated 27 October 2023 having a facility limit of \$1.5m, the Executive Chairman has provided a letter of financial support to confirm his continuing commitment to fund the working capital of the Group for the next 15 months noting that historically, Nic Lim has been providing funding as and when needed to support the Group. As at 31 December 2024, the Company has not drawn down on the facility. If the loan is drawn down, it will be applied towards working capital purposes;

Notes to the Financial Statements for the Half Year ended 31 December 2024

Note 1: Material accounting policy information (cont)

- The budgets and forecasts prepared by Management for the next 15 months anticipate the Group to continue to produce improved results. This is mainly underpinned by continuing cost reduction strategies. The cost reduction strategies that Management and the Board have undertaken in the last 12 months has resulted in improved results in particular the loss before income tax has reduced from \$1,951,023 for the half year ended 31 December 2023 to \$698,975 for the half year ended 31 December 2024. Cash flows from operating activities have also improved with a net cash outflow of \$8,708 for the half year ended 31 December 2024 compared to a net cash outflow of \$1,001,682 in the prior corresponding period.
- The Directors have the option of seeking further funding to support working capital and the business development activities of the Group by way of equity or convertible note debt finance. Historically, the group has been successful in raising equity and convertible note debt finance.

The Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving the Group's financial performance. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group's performance.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they fall due, continue as a going concern and be in a position to realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements. No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Group and company not continue as going concerns.

Note 2: Loss from Ordinary Activities

All revenue and expense items that are relevant in explaining the financial performance for the interim period have been included in the statement of profit or loss and other comprehensive income.

Note 3: Dividends

No dividends have been declared or paid during the period (31 Dec 2023: \$0).

Note 4: Financial Assets

The Group holds shares in Cloudaron Berhad as part of the sale of Realtors8 Pte Ltd. These shares are included as a Financial Asset with a non-current asset classification measured at a fair value of \$16,405 based on the market price on the Bursa Stock Exchange as at 31 December 2024.

	31 December 2024 \$	30 June 2024 \$
Financial assets at fair value through other comprehensive income	16,405	43,459
	<u>16,405</u>	<u>43,459</u>

Notes to the Financial Statements for the Half Year ended 31 December 2024

Note 5: Revenue from continuing operations

	31 December 2024 \$	31 December 2023 \$
Change requests and implementations	1,130,964	1,975,407
Annual Licence fees & SaaS revenue	2,423,852	2,156,597
Other revenue	186,205	42,076
	<u>3,741,021</u>	<u>4,174,080</u>

Note 6: Intangible Assets

	Acquired Intellectual property \$	Software Development Costs – Expense8 \$	Software Development Costs – CardHero \$	Total \$
Consolidated Group:				
Carrying value at 1 July 2024	14,800	716,722	1,373,659	2,105,181
Additions	-	-	-	-
Amortisation charge	-	(79,636)	(256,533)	(336,169)
Period ended 31 December 2024	14,800	637,086	1,117,126	1,769,012

Intangible assets, other than intellectual property, have finite useful lives and are carried at costs less any accumulated amortisation and impairment losses. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss.

Once ready for use, the Group amortises Software Development costs over their useful lives which is estimated to be over a period of 5 years. Acquired intellectual property (PayHero) is not being amortised as its useful life is indefinite. The Expense8 software developments costs amounting to \$637,086 are being amortised over their useful lives which is estimated to be over a period of 5 years.

Note 7: Contributed Equity

(a) Share Capital

	Note	As at 31 December 2024 \$	As at 30 June 2024 \$
Ordinary Shares 224,094,903 (30 June 2024: 224,094,903)			
Fully paid shares		<u>16,946,815</u>	<u>16,946,815</u>

	Date and Price	No.	\$
Opening Balance 1 July 2024		224,094,903	16,946,815
Shares issued		-	-
Total issued		-	-
Closing balance 31 December 2024		<u>224,094,903</u>	<u>16,946,815</u>

Notes to the Financial Statements for the Half Year ended 31 December 2024

Note 8: Contingent Assets and Contingent Liabilities

There are no contingent liabilities or contingent assets as at the date of this half yearly report and 30 June 2024.

Note 9: Fair Value Measurement

a) Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following notes (b) and (c) provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

b) Financial Instruments

The fair values of the group's financial asset and financial liabilities equate to the carrying values at the respective reporting dates of 31 December 2024. The carrying amounts of trade and other payables and trade and other receivables are assumed to approximate their fair values due to their short term nature.

c) Fair value hierarchy

Set out below, is a comparison of the carrying amounts and fair values of financial assets as at 31 December 2024 and 30 June 2024:

	31 December 2024		30 June 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Consolidated Group:				
Financial assets at fair value through other comprehensive income	16,405	16,405	43,459	43,459
Total	16,405	16,405	43,459	43,459

Notes to the Financial Statements for the Half Year ended 31 December 2024

Note 9: Fair Value Measurement (Cont.)

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 31 December 2024:

Fair value measurement using				
Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
\$	\$	\$	\$	
As at 31 December 2024:				
Financial assets measured at fair value:				
Financial assets at fair value through other comprehensive income	16,405	16,405	-	-

Fair value measurement using				
Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
\$	\$	\$	\$	
As at 30 June 2024:				
Financial assets measured at fair value:				
Financial assets at fair value through other comprehensive income	43,459	43,459	-	-

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six months ended 31 December 2024.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisations (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs in the fair value measurements during the period.

Notes to the Financial Statements for the Half Year ended 31 December 2024

Note 10: Current liabilities

	31 December 2024 \$	31 December 2023 \$
Payables to ATO under payment plan	308,907	386,123
Payable to Director	359,305	253,478
	<u>668,212</u>	<u>639,601</u>

- Payable to ATO under payment plan relates to PAYG and GST. Instalments of \$77,000 are payable monthly. The payment plan has a completion date of 26 August 2025.
- Payable to Executive Chairman relates to supplier invoices paid by Mr Nic Lim as an advancement of funds to assist with the Group's working capital. This balance is unsecured and interest free.

Note 11: Share based payments reserve

No shares were issued to Directors or staff during the six months ended 31 December 2024, pursuant to the employees share options plan. As at 31 December 2024 the following options were on issue:

	Number	Weighted Average exercise price \$
Balance as at beginning of the year	17,240,000	0.13
Options lapsed	(5,004,147)	-
Balance as at 31 December 2024	<u>12,235,853</u>	<u>0.11</u>

Note 12: Earnings per share

(a) Share Capital

Note	31 December 2024 \$	30 June 2024 \$
Loss after income tax	<u>(698,975)</u>	<u>(1,951,023)</u>
	Cents	Cents
Basic earnings per share	(0.31)	(0.89)
Diluted earnings per share	(0.31)	(0.89)

Notes to the Financial Statements for the Half Year ended 31 December 2024

Note 13: Events Occurring after the Balance Sheet Date

Subsequent to period end, Nic Lim injected additional funding into the Group on 26 February 2025 amounting to AUD \$56,573 and on 27 February 2025 amounting to AUD \$113,870. Nic Lim has confirmed that he will not recall the balances within 15 months from signing the half year financial report on the basis that repayment would prejudice the Group's ability to repay short term creditors or other liabilities.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Note 14: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

A company that Mr Nic Lim is an owner of 8capita Sdn Bhd, provided outsourced labour hire to the group during the period. The total value of the services provided for the current period was \$176,108 (2024: \$369,268)

During the period, Mr Nic Lim paid operating expenses on behalf of the group amounting to \$359,304 (2024: \$435,835). As at 31 December 2024, this balance was due and payable to Mr Nic Lim. The full balance payable is unsecured and interest free.

As disclosed in note 1 Going Concern Basis of Accounting, the Group had entered into a Loan Facility Agreement dated 27 October 2023 with the Executive Chairman. The facility limit is \$1,500,000, unsecured and bears interest of 6% per annum. As at the date of this report, no balances have been drawn down.

Directors' Declaration

In the directors' opinion:

- (a) The financial statements and notes set out on pages 9 to 20 comply with the Corporations Act 2001 and are in accordance with:
 - (i) Accounting Standard AASB 134 *Interim Financial Reporting*, other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that 8common Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Kah Wui Lim

Managing Director
Kuala Lumpur

Dated this 28th day of February 2025

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Independent Auditor's Review Report to the Members of 8common Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of 8common Limited (the Company) and its Controlled Entities (the Group) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Relating to Going Concern

We draw attention to Note 1 Going concern basis of accounting in the notes to the financial statements, which indicates that for the half year ended 31 December 2024, The Group has incurred a net loss after tax for the half year ended 31 December 2024 of \$698,975 (31 December 2023: loss of \$1,951,023) and net cash outflows from operating activities of \$8,708 (31 December 2023: cash outflow of \$1,001,682). As at 31 December 2024, the Group was in a net current liability position of \$2,054,168 (30 June 2024: \$1,723,734 net current liability) and net liability position of \$308,722 (30 June 2024: Net asset position of \$417,315). Included in the net liability position is a payment plan liability with the Australian Taxation Office (ATO) in relation to Goods and Services Tax and Pay As You Go (PAYG) withholding tax amounting to \$308,907 as at 31 December 2024. This payment plan liability was \$472,417 as at 27 February 2025 with a completion date of August 2025.

Due to the low level of cash and continuing operating losses of the group, the working capital of the Group during the 6-month period ended 31 December 2024 has been partly funded by the Executive Chairman (Kah Wui "Nic" Lim), in particular Mr Nic Lim paid supplier invoices totalling \$327,186 (from 1 July 2024 to 31 December 2024). As at 31 December 2024, the balance owed to the Executive Chairman is \$359,305 as disclosed in note 14 Related Party Transactions. This outstanding balance is unsecured and interest free. The cash and cash equivalents were \$123,873 as at 31 December 2024 and \$238,850 as at 27 February 2025.

Accordingly, one of the major factors permitting the Group to continue as a going concern is the continuing funding from the Executive Chairman, therefore in the absence of funding from the Executive Chairman, the Group may not be able to continue as a going concern. On 26 February 2025 and 27 February 2025, the executive Chairman has injected (a further unsecured and interest free loan) an additional \$56,573 and \$113,870 respectively to assist with the payment of outstanding liabilities. The Executive Chairman has provided a letter of support confirming that he will not recall the total loan balance of \$170,443 (including the balance of \$359,305) within 15 months from signing the half year financial report on the basis that this repayment would prejudice the Group's ability to repay short term creditors or other liabilities. These monies have been provided by Nic Lim in addition to the \$1.5m loan facility available, which has not been drawn down yet.

These conditions above indicate that the Group is currently dependent on funding from the Executive Chairman to settle its short-term debts as and when they fall due. In the event that the Group does not receive continuing financial support from the Executive Chairman, generating positive cash flows from operations, raise funds through debt or equity, the ability of the Group to continue as a going concern will be negatively impacted and therefore the Group will not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

These conditions above indicate that there are material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern thereby realising its assets and liabilities in the normal course of business at the amounts stated in the financial statements.

Our conclusion is not modified in respect of this matter.

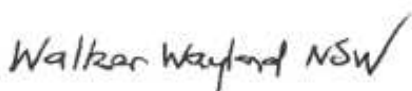
Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'Walker Wayland NSW'.

Walker Wayland NSW
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Edward Chow'.

Edward Chow
Partner

Dated this 28th day of February 2025, Sydney